

ARCP



Governor Blagojevich has signed Public Act #94-0109 allowing State employees in certain positions to receive an Alternative Retirement Cancellation Payment (ARCP) consisting of a lump sum payment of their contributions with regular interest, times two.

To participate in the ARCP, a member must fall within the two groups listed below.

Group 1 (Employees under the Governor)
To be eligible in Group 1, a SERS member must:

- Be on active payroll as of July 1, 2005.
- Have continuous employment on and after January 1, 2005.
- Have not received a retirement annuity from SERS.
- Be in a specific job title.
- Be among the first 500 employees to file a written application before September 30, 2005.
- If the member has a Qualified Illinois Domestic Relations Order (QILDRO) in effect, the member must have a consent to participate from all alternate payees.
- Terminate employment within one month after approval of their application or no later than October 31, whichever comes first.

Group 2 (Employees under other Constitutional & Legislative Officers)

To be eligible in Group 2, SERS members in any position with the Speaker of the House of Representatives, the Minority Leader of the House, the President of the

ARCP (continued on page 2)

Your Annual Benefit Statement is Enclosed

Enclosed with this edition of the SERS-O-GRAM is your annual Benefit Statement. This statement only displays the last four numbers of your Social Security number to help protect you from identity theft.

Besides giving you specific information about your SERS account, your benefit statement also lists any service you may have with a reciprocal system, any service you may be eligible to purchase or repay, and shows your service credit in months as well as years.

Keep your benefit statement in a safe place along with your Social Security card to avoid the chance of identity theft.

Also included with this SERS-O-GRAM is a Nomination of Beneficiaries form (on the back page). You may change your beneficiaries at any time by completing and filing this form with SERS. If you have questions about beneficiaries, call us at 217-785-6973.

Legislation Affecting SERS Members



During the 94th session of the General Assembly, several pension-related bills passed both the House and the Senate that affect SERS members. To read any of these bills in their entirety, visit our website at www.state.il.us/srs. Below is a list of SERS legislation.

Senate Bill 0023 - Sudan Investments (signed into law)

Stipulates that a State of Illinois retirement system or pension fund shall not, directly or through a fund manager, transact business with any company that engages in certain activities with the Republic of Sudan.

Senate Bill 0253 - Emerging Investment Managers

SB0253 allows an emerging investment manager to handle an investment portfolio with a maximum value of \$2,000,000,000 (was \$400,000,000). Also expands the definition of "emerging investment manager."

Senate Bill 0529 - Lawful Child Definition (signed into law)

SB0529 changes the reference from "illegitimate child" to "child born out of wedlock" and from "legitimate child" to "lawful child" in matters of marriage and adoption.

LEGISLATION (continued on page 2)

Changes to the Funding of SERS

The recent passage of SB0027 has an immediate impact on the State Employees' Retirement System by significantly reducing employer contributions in both FY06 and FY07.

The reduction totals \$486.3 million in FY06 and \$419 million in FY07. This shortfall will have to be made up with additional transfers from the Illinois State Board of Investment.

From FY08 through FY10, the state will ramp-up employer contributions so that by 2011, the state will contribute at the rate required by law.

Other provisions of this bill include:

- Creating a 15-member Advisory Commission on Pension Benefits to consider and make recommendations on pension-related issues. The Commission should report its findings to the Governor by November 1, 2005.
- Requiring all future SERS benefit increases to be fully-funded by an identified funding source and expire after five years if not reauthorized by law.
- Limiting new hires on or after July 1, 2005, with the Department of Corrections to qualify for the alternative retirement formula only if they are a parole officer, a member of the apprehension unit, a member of the intelligence unit, a member of the sort team, an investigator, or officially headquartered at a correctional facility.

ARCP (continued from page 1)

Senate, the Minority Leader of the Senate, the Secretary of State, the Comptroller, the Treasurer, the Auditor General, the Supreme Court, the Court of Claims and all legislative agencies are eligible to participate with the approval of their agency head.

The eligibility requirements are the same as Group 1, except they must **file and terminate employment** by October 31, 2005. There is no limit to the number of employees who can participate in this group.

During August 2005, all members eligible to participate in the ARCP will receive an estimate of the amount payable to them and an application to participate.

SERS members who participate in the ARCP will receive a one-time lump sum payment equal to their retirement contributions with regular interest, times two. The taxable portion of the

lump sum amount may be rolled over into a qualified employer plan that accepts rollovers, or to a traditional Individual Retirement Account (IRA).

Insurance Coverage

Participants in the Alternative Retirement Cancellation Payment Plan would be eligible for insurance coverage if they are vested with the State (8 years of service credit) using their service on the date of the ARCP.

For example, if a member terminates at age 27 with 9 years of service, he would be eligible for State insurance on the first of the month after reaching age 60.

Returning to State Service

If an ARCP participant returns to State service other than in a temporary position (75 days per calendar year) they must repay SERS the amount that the ARCP exceeds the original employee contributions within 60 days after reemployment

For more specific information on this legislation, visit our website at www.state.il.us/srs.

LEGISLATION (continued from page 1)

Senate Bill 1446 - QILDRO

SB1446 makes a technical change in provisions of the Qualified Illinois Domestic Relations Orders. Defines who would receive earned benefits, allows for non-periodic death benefits to be divided. It also allows for a division of benefits by percentage. This bill takes effect on July 1, 2006.

House Bill 0227 - Visually-Impaired Vendors

HB0227 provides that an employee can establish service credit for a period of up to eight years while employed by the Visually Handicapped Managers of Illinois in a vending program operated under a contractual agreement with the Department of Rehabilitation Services or its successor agency.

House Bill 1383 - Partial Refund Repayment

HB1383 states that instead of repaying the entire amount of a refund, a member may repay a portion of the refund and receive credit for the portion of the refund that was repaid.

Latest Website Features

The latest additions to our website include a calculator to figure a pension estimate or federal tax withholding.

The other new feature is a direct link to the Illinois Legislature home page. From there, you can track the status of Senate and House bills, view information about Illinois Senators and House Representatives, and link directly to the U.S. Government's web portal.

2006 SERS Preretirement Workshops

Registration for all of the SERS 2006 workshops begins September 1, 2005. In order to register, you must contact your agency's Retirement Coordinator. If you're not sure who your Retirement Coordinator is, check the "At a Glance" section of your enclosed Benefit Statement.

For more information on our preretirement workshops or to find out if a workshop you want to attend is filled, visit our website at www.state.il.us/srs or call 217-785-6979.

INVESTING IN YOUR FUTURE

For employees under age 45

Jan. 24	Chicago
Feb. 28	Springfield
Feb. 28	Aurora
Mar. 23	Springfield
Apr. 4	East Peoria
Apr. 18	Joliet
May 9	Urbana
Jun. 6	Rockford
Jun. 6	Springfield
Jul. 18	Marion
Aug. 1	Springfield
Sep. 12	Rock Falls
Sep. 19	Springfield
Oct. 3	Schaumburg
Oct. 24	Collinsville
Nov. 14	Chicago

EDUCATION FOR TOMORROW'S CHOICES

For employees 5-15 years from retirement

Jan. 4 & 5	Springfield
Jan. 11 & 12	Springfield
Jan. 11 & 12	Chicago

Jan. 18 & 19	Springfield
Jan. 25 & 26	Springfield
Jan. 25 & 26	Glen Ellyn
Feb. 1 & 2	East Peoria
Feb. 8 & 9	Fairview Hts.
Feb. 8 & 9	Chicago
Feb. 15 & 16	Springfield
Feb. 22 & 23	Springfield
Mar. 1 & 2	Joliet
Mar. 8 & 9	Springfield
Mar. 15 & 16	Chicago
Mar. 22 & 23	Marion
Mar. 29 & 30	Urbana
Apr. 5 & 6	Chicago
Apr. 19 & 20	Schaumburg
Apr. 26 & 27	Springfield
May 3 & 4	Rock Falls
May 3 & 4	Springfield
May 17 & 18	Springfield
May 17 & 18	Chicago
May 24 & 25	Mt. Vernon
Jun. 7 & 8	Rockford
Jun. 14 & 15	Springfield
Jul. 12 & 13	Springfield
Jul. 19 & 20	Carbondale
Jul. 26 & 27	Peoria
Aug 2 & 3	Collinsville
Aug. 23 & 24	Chicago
Sep. 13 & 14	Springfield
Sep. 13 & 14	Orland Park
Sep. 20 & 21	Bloomington
Sep. 27 & 28	Springfield
Oct. 4 & 5	Effingham
Oct 18 & 19	Springfield
Nov. 1 & 2	Chicago
Nov. 15 & 16	Springfield
Dec. 6 & 7	Springfield

**COUNTDOWN
TO RETIREMENT**
*For employees within
3 years of retirement*

Feb. 2	Joliet
Feb. 9	Springfield
Feb. 23	Chicago
Mar. 2	Springfield
Mar. 9	Rockford
Mar. 16	Springfield
Apr. 13	Schaumburg
Apr. 27	Chicago
May 11	Collinsville
May 25	Springfield
May 31	Quincy
Jun. 22	Springfield
Jun. 28	Carbondale
Jul. 6	Champaign
Jul. 13	Gurnee
Jul. 20	Springfield
Jul. 27	Springfield
Aug. 10	Springfield
Aug. 17	Mt. Vernon
Aug. 17	Chicago
Sep. 7	Springfield
Sep. 7	Aurora
Sep. 21	Peoria
Sep. 21	Rock Falls
Sep. 28	Marion
Oct. 5	Orland Park
Oct. 26	Chicago



State Employees' Retirement System of Illinois

2101 South Veterans Parkway, P.O. Box 19255, Springfield, Illinois 62794-9255, Phone 217-785-6963

MEMBER'S NOMINATION OF BENEFICIARY(IES) FOR DEATH BENEFITS

This form is to be used to nominate the person or persons to receive any death benefit payable by the State Employees' Retirement System of Illinois. ***This is a legal document which, after preparation, may not be altered in any way by any person.*** A member desiring to change beneficiaries at a later date must complete a new Nomination Beneficiary form. The form on file with the System that has the most recent date, located next to the member's signature, will take precedence.

INSTRUCTIONS: Complete this form using ink or typewriter. You may nominate one person, as many as you wish, or your estate. If additional space is required, use the reverse side of this form.

Benefits will be paid on a ***survivor basis in the numerical order*** you indicate. Two or more persons with the same order number will receive equal shares. ***When this beneficiary nomination is accepted by the State Employees' Retirement System, an acknowledgment will be mailed to the current address on file with SERS. If your address is not current, please contact your payroll department to complete a new W-4 form.***

NOTE! Persons nominated as beneficiaries without order numbers will be considered after persons nominated with order numbers. Two or more persons nominated without order numbers will receive equal shares.

EXAMPLE

Order Number	Name	Address	Relationship
<u>1</u>	<u>John A. Doe</u>	<u>123 West Main, Chicago, IL 60601</u>	<u>Father</u>
<u>2</u>	<u>Jane B. Doe</u>	<u>123 West Main, Chicago, IL 60601</u>	<u>Mother</u>
<u>3</u>	<u>David C. Doe</u>	<u>123 West Main, Chicago, IL 60601</u>	<u>Brother</u>
<u>3</u>	<u>Nancy D. Doe</u>	<u>44 South 2nd, Springfield, IL 62708</u>	<u>Sister</u>
<u>3</u>	<u>Mary E. Doe</u>	<u>123 West Main, Chicago, IL 60601</u>	<u>Sister</u>
<u>4</u>	<u>Frank F. Smith</u>	<u>9876 E. 99th St., Peoria, IL 61605</u>	<u>None</u>

In the event the member dies while in state service, the benefit will be paid as follows:

1. All the money will be paid to John Doe.
2. If John Doe is not living when the member dies, all the money will be paid to Jane Doe.
3. If John and Jane, Doe are not living when the member dies, the money will be divided equally among David, Nancy, and Mary Doe. (If only two of these three persons are living when the member dies, each will receive one half of the money and if only one of these three persons is living when the member dies, he/she will receive all of the money.)
4. If John, Jane, David, Nancy, and Mary Doe are not living when the member dies, all the money will be paid to Frank Smith.
5. If none of the nominated beneficiaries are living when the member dies, all of the money will be paid to the member's estate.

NOMINATED BENEFICIARIES

Order Number	Name	Address	Relationship
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

This form must be witnessed by two people who are not named as beneficiaries.

Member's Signature _____ **Date** _____

Member's Social Security Number _____ Witness _____

Member's Address _____ Address _____

Witness _____

Address _____